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Exchange rate expectations since the financial crisis:  
Performance evaluation and the role of monetary policy and  
safe haven\*

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**Abstract**

We analyze and evaluate novel data on exchange rate expectations after the collapse of Lehman Brothers for more than 60 economies over different horizons. At a first stage, we establish a potential discrepancy between statistical and economic measures. Market expectations are superior compared to trend and carry trade strategies based on economic evaluation criteria despite a weak statistical performance. We then turn to determinants of both expectations and resulting forecast errors. We find that monetary policy effects on expectations are time-varying and identify substantial international spillovers over the recent period of unconventional monetary policy. Our results also indicate that markets have been surprised by monetary policy effects on the exchange rates and point to an unexpected safe haven status of the US dollar after 2009.

*Keywords:* Exchange rates, expectations, financial crisis, monetary policy

*JEL classification:* F31, G15

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